HAR 1052. 51-46

Γ

CLASSIFICATION CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT CD NO.

DATE OF

INFORMATION

1953

50X1-HUM

COUNTRY China

SUBJECT

Economic - Industry, production, iron,

steel, rubber

HOW **PUBLISHED**

Daily newspapers

WHERE **PUBLISHED**

PUBLISHED

China

3 Jun-29 Oct 1953

LANGUAGE

Chinese

NO. OF PAGES

DATE DIST. 5 MAR 1954

SUPPLEMENT TO REPORT NO.

TITLE IS. SECTIONS 7 ATION OF ITS CONTENTS TO GE RECEIPT BY AN UNAUTHORIZED PERSON

THIS IS UNEVALUATED INFORMATION

SOURCE

As indicated

PRODUCTION ACTIVITIES OF IRON AND STEEL WORKS AND OTHER RELATED INDUSTRIES IN CHINA, 1953

Comment: This report on 1953 production activities of iron and steel works and other related industries in China is based on a survey of Chinese Communist newspapers from 3 June through 29 October 1953. The T'ang-shan Steel Mill, the Pen-ch'i Steel and Iron Company, and the Tientsin Steel Mill made substantial increase in production.

The Mukden Ch'eng-fa Ironworks, the Tientsin Chen-hua Electric Wire and Rubber Industries Company, Ltd., the Northwest Machinery Plant No 1, and the Southwest Machinery Plant No 1 have made progress in their production techniques. The Shanghai Boiler Plant built its first 100-ton traveling crane for the Chungking Steel and Iron Mill. The net profit for Wu-wu Machinery Manufacturing Plant was 430,000 yuan between January and September.7

STEEL AND IRON WORKS MEET SEPTEMBER PRODUCTION QUOTA -- Tientsin, Ta Kung Pao,

Peiping, 17 October (Hsin-hua She) -- The September 1953 production quotas for five major products were fulfilled by the plants and mines under the Steel and Iron Control Bureau of the Ministry of Heavy Industry. Iron and steel plants throughout China joined the increase production and austerity movement which led to more efficient production and industrial management and to a minimum of unforeseen operational delays. In the T'ang-shan Steel Mill, each furnace producing Bessemer steel increased production by 0.34 ton, and electric steel by 0.448 ton in September 1953. In the Shanghai Hain-hu Steel Mill, a group engaged in producing rolled steel increased its daily production rate by 100 percent.

50X1-HUM

CLASSIFICATION CONFIDENTIAL NSRB DISTRIBUTION AIR

Sanitized

Γ

50X1-HUM

CONFIDENTIAL

During the month, work stoppage for equipment repairs decreased. For example, the Pen-ch'i Steel and Iron Company expected to have repair work on three furnaces by actually it was required on only one. The Tientsin Steel Mill expected to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing an open-hearth furnace but only lead to spend 144 hours repairing

T'ANG-SHAN INDUSTRIES FULFILL PRODUCTION QUOTA FOR SEPTEMBER -- Tientsin, Ta Kung Pao, 14 Oct 53

Pao-ting, 13 October (Hsin-hua She) -- In September 1953, 16 major plants and mines in T'ang-shan fulfilled their planned production quota. The T'ang-shan Steel Mill exceeded its planned production quota for steel by 9.4 percent, and for Bessemer steel ingots by 15.88 percent. In the production of each ton steel, 40.1 kilograms less of pig iron were used that was prescribed by

MUKDEN IRONWORKS PRODUCED LARGE QUANTITY OF HOT-WATER HEATER MATERIALS -- Tientsin, Ta Kung Pao, 28 Oct 53

The privately owned Ch'eng-fa Ironworks is one of the largest of the 205 hot-water heater material plants in Mukden. Formerly, this plant produced only spare parts for machines and mining equipment. With the increasing demand for hot-water heater material under the basic construction work, the Ch'eng-fa Ironworks began specializing in the production of hot-water heater material. The plant employees increased from 308 in 1951 to 401 in 1953.

The plant produced 8,300,000,000 yuan's worth of material in 1951 and 2,380,000,000 yuan's worth during the first 6 months of 1952. Up to mid-1952, the plant was marketing its own products. During the second half of value of output to 6 billion yuan for the period. Between January and September 1953, 9,600,000,000 yuan's worth of material was produced which was 15.6 percent higher than the entire 1952 production.

Between 1950 and 1953, the number of production employees was doubled and the annual production was increased 2.7 times. During the first hald of 1953, the net profit was 1,900,000,000 yuan, and increase of 35 percent over the net profit for the entire year of 1952, and 90 percent over 1951.

NORTHWEST MACHINERY PLANT SUBSTITUTES ANTHRACITE COAL IN PRODUCTION OF CAST IRON -- Sian, Ch'un-chung Jih-pao, 16 Jun 53

The state-owned Northwest Machinery Plant No 1 has been successful in substituting anthracite coal for coke in the smelting of cast iron. The use of anthracite coal increased the temperature of the molten iron and helped to bring about a 19.7 percent drop in the production cost.

SHANGHAI BOILER PLANT PRODUCES FIRST 100-TON TRAVELING CRANE -- Peiping, Jenmin Jih-pao, 3 Oct 53

On 29 September 1953, the state-owned Shanghai Boiler Plant tested its first 100-ton traveling crane built for the Chungking Steel and Iron Mill. This is the first such large crane to be built in China. This crane measures 5 chang /one chang equals 11 feet 9 inches/ seven ch'ih /one ch'ih equals 14.1 inches) long, over one chang high, and 3 chang wide, and weighs 140 tons. The hook is twice the height of an average man and is suspended by block and tackle. Each block has 10 sheaves, which are entwined by six-strand steel cables.

- 2 -

CONFIDENTIAL

Γ

50X1-HUM

CONFIDENTIAL

SOUTHWEST MACHINERY PLANT PRODUCES HIGH QUALITY CAST IRON -- Sian, Ch'unchung Jih-pao, 3 Jun 53

In June 1952, the casting shop of the state-cperated Southwest Machinery Plant No 1 began the production of nodular casting iron. In December 1952, the use of magnesium, a Soviet practice, was introduced to produce better grade iron. This led to a decrease in production costs by 50 percent and an increase in the quality of the product.

In 1953, this plant needed a high-grade cast iron which could be easily machined in the building of grinding machines. A Soviet method using fluid impregnation was adopted to meet this need. This method helped to reduce the cost by 50 percent, but led to the production of impure cast iron containing air bubbles. After many experiments this weakness was corrected and a saving of 50,000 yuan per 50 kilograms of iron produced was realized. This means that if each furnace processed 1,200 kilograms per load, a saving of 1,200,000 yuan could be made each time.

SCORES WASTE AT T'AI-YUAN STEEL AND IRON PLANT -- Peiping, Jen-min Jih-pao, 7 Oct 53

In a letter to the editor, a reader complained that a large quantity of salvageable scrap metal valued at about 200 million yuan was exposed to natural elements to rust and rot by the T'ai-yuan Steel and Iron Plant.

WU-WU MACHINERY MANUFACTURING PLANT EARNED 430 MILLION YUAN -- Tientsin, Ta Kung Pao, 29 Oct 53

Between January and September 1953, the net profit of the privately owned Wu-wu Machinery Manufacturing Plant was 430 million yuan. This plant was organized in T'ai-yuan on 5 May 1952 immediately following the Five Antis Movement. It was formed through the merger of three plants that made spare parts for horse-drawn carriages and two small iron plants. This merger pooled the equipment and facilities of these plants.

TIENTSIN PLANT INCREASES ELECTRIC WIRE PRODUCTION -- Tientsin, Ta Kung Pao, 12 Oct 53

In early 1952, three rubber plants, Chiu-ta, Hsing-ya, and Tung-hua, were merged with the Tientsin privately owned Chen-hua Electric Wire Plant to form the Chen-hua Electric Wire and Rubber Industries Company, Ltd. Recently, the T'ai-p'ing Rubber Plant was also taken into the organization. The reorganization of these plants has led to great increase in production. At present, 98 percent of the products are meeting government standards.

During the last 15 days of August 1952, this company produced 40,000 kilometers of electric wiring. In December 1952, this rose to 230,000 kilometers, and for the first 6 months of 1953, this company produced an average of about 440,000 kilometers of electric wire per month.

The management cost of the Chen-hua firm is being reduced. In August 1952, management cost constituted 6.23 percent of the value of the goods produced, but in December of the same year, it dropped to 4 percent. The net profit of this firm was 3.4 percent of the value of the goods produced in August 1952 but increased to 260 million yuan or 3.51 percent of the value of the goods produced in December of the same year.



Γ		50X1-HUM
	CONFIDENTIAL	

Sanitized Copy Approved for Release 2011/09/08: CIA-RDP80-00809A000700160380-1

In May 1953, the Chen-hua firm began negotiations with the well-equipped T'ai-p'ing Rubber Plant for a possible merger since the latter was facing financial difficulties. The merger took place with governmental approval on 15 August 1953, and the Cheng-hua Electric Wire and Rubber Industries Company, Ltd., took over the T'ai-p'ing Rubber Plant which has over 170 shops. With this addition, the management cost is expected to be reduced by 12 million yuan and plant expenses by 21 million yuan each month.

-END -

50X1-HUM

- 4 -CONFIDENTIAL